



JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA

P.O. Box 94214
BATON ROUGE, LOUISIANA 70804-9214
(504) 342-5900

Bulletin LIRC 93-02

DATE: AUGUST 12, 1993

TO: ALL PROPERTY AND CASUALTY INSURANCE COMPANIES AND RATING ORGANIZATIONS MAKING RATE, RULE, OR FORM FILINGS IN LOUISIANA

RE: ACT 1022 OF THE 1993 REGULAR SESSION OF THE LOUISIANA LEGISLATURE

This bulletin is to inform you that the above-referenced Act (copy attached) was passed, to be effective August 15, 1993. Points of clarification are as follows:

- Rate changes cannot be implemented more than once in a twelve (12) month period (i.e. at least twelve (12) months must lapse between the effective dates of rate changes).
- Rate filings can be made to the Louisiana Insurance Rating Commission (LIRC) more frequently than twelve (12) month intervals; however, the approved effective date of the filing must be no less than twelve (12) months from the approved effective date of the last rate change.
- Any rule change which results in a rate change for any classification will be considered a rate change.
- The twelve (12) month period between effective dates is not applicable to rate changes which are disapproved by LIRC.
- Automatic premium adjustments built into a rating plan are not considered rate changes subject to this Act.
- Industry organizations filing loss cost changes (such as ISO, NCCI, etc.) are exempt from this Act.
- Rate changes due to other legislation mandating changes of rates per classification are exempt from this Act (e.g. Acts 816 and 872 (1984) - Fifty-five (55) Alive discount).

Attachment

Regular Session, 1993

HOUSE BILL NO. 380

BY REPRESENTATIVE DIMOS AND SENATOR CRAVINS

AN ACT

To enact R.S. 22:1401(J), relative to the Louisiana Insurance Rating Commission; to provide that an insurer may not apply to the commission for a rate change more than once in a twelve-month period for any risk classification; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1401(J) is hereby enacted to read as follows:

§1401. Louisiana Insurance Rating Commission; creation, membership, selection, compensation, powers, duties, and functions; budgetary control; use of funds

. . .

J. No insurer may apply to the commission for a rate change more than once per risk classification in any twelve-month period, unless the modification of the proposed rate is disapproved by the commission.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____